Before The
Federal Communications Commission
Washington, D.C. 20554

In the Matter of:	)	
	)	
Policies and Rules Implementing the Telephone Disclosure and Dispute Resolution Act	)	**CC Docket No. 93-22**

REPLY COMMENTS

Allnet Communication Services, Inc. (Allnet) hereby files these reply comments in the above-referenced proceeding in CC Docket No. 93-22.

I. BASED ON THE RECORD, THE COMMISSION SHOULD MODIFY THE RULES TO PROHIBIT ORIGINATING CALLERS FROM BEING ASSESSED ANY CHARGES FOR 800 CALLS ON LOCAL EXCHANGE BILLS

In its Comments, Allnet asserted that the Commission's proposed rule amendments did not go far enough to protect consumers, and that "the existing rules should be modified to explicitly prohibit originating users from being assessed any charges for calls made over 800 telephone numbers." [Allnet Comments at Page 1, emphasis added]

Nearly 40 parties filed Comments in this proceeding, and the overwhelming majority of the comments supported the Commission's proposed rule changes as written. As explained below, many comments encouraged and suggested additional rule modifications - such as Allnet had proposed to eliminate any 800 charges to the originating caller. This stricter requirement is necessary to allow an enforceable protection of 800 users and to ensure the integrity of toll-free 800 services.

A. The Majority Of Commenters Support Changes To The Proposed Rules To Eliminate Consumer Confusion Over The Toll Free Nature Of 800 Calls

Many comments suggested that the Commission "...limit the definition of 800 service so that there are no circumstances under which a caller is assessed a charge on the common carrier's bill for and 800 call." [USTA Comments at page 2; see also, Tele-Communications, Inc. Comments at page 3, NACAA Comments are page 4, Wisconsin Department of Justice at page 7, Pennsylvania Public Utilities Commission at pages 9 and 10 (require rule that IPs not bill on a LEC bill], ACUTA Comments at page 3, ¶13,BYU Comments at page 3, NTCA comments at 4-6, APCC Comments at page 3, SNET Comments at page 2 (SNET has discontinued billing and collection of such [800] calls), BellSouth Comments at page 4-5 (ceasing billing for 800 charges on bills), and Minnesota Office of Attorney General at page 20]

Not surprisingly, only the information providers and their associations -- with a partial opposition to the proposed rules filed by Ameritech -- filed comments that opposed the Commission rules, either in part, or in total. [See Comment of Interactive Services Association, International Telemedia, Information Industry Association, Association of Information Providers, 900 Capital Services, and Info Access, Inc.] The underlying theme in these opposition comments is that the Commission should either (1) let the industry rules (which are purely voluntary) solve the alleged problems, or (2) implies that the Commission does not have the authority to further modify or restrict the rights of IP's. As for the first issue, the Commission is painfully aware how little a voluntary rule did to stem the tide of OSP customer complaints resulting from price gouging by

certain OSPs. Second, the Commission was given explicit authority in Section 228(b)(3) to "include requirements on such carriers to protect against abusive practices by providers of pay-per-call services." Accordingly, the Commission was granted explicit and broad authority to create and modify rules to protect consumers, and is exercising its authority to do so in this proceeding.

B. MCI's Use Of A 1-800 Number, Rather Than A 900 Number, Illustrates The Vulnerability Of 800 Services If The Current Practices Are Allowed To Continue

In its Comments, MCI claims that its new nationwide directory service 1-800-CALL-INFO is not subject to the Commission's proposed or existing rules because it is exempt based on the definition of "pay per call." [MCI Comments, footnote 16] Allnet disagrees that the current or proposed rules exempts the MCI service from the pay-per-call rules or the 800 rules in Section 228.

The statute as currently embodied in the Commission rules and based on Section 228(c)(6)(C) prohibits "the calling party being charged for information conveyed during the call unless the calling party has a preexisting agreement to be charged for the call." Section 228(c)(6)(C) does not mention the term "pay-per-call," applies to <u>all</u> 800 calls, and thus MCI's argument that this service is exempt based on the pay-per-call definition in Section 228(i)(2) is incorrect. Had Congress intended this Section 228(c)(6)(C) only apply to pay-per-call services, then it would not have been necessary to include the presubscription exemption in the definition of"pa-per-call. " (i.e., in Section 228(1)(2)). MCI's information service assess a charge of $.075 per call to the originating party -- without a preexisting agreement, and assesses the charge based on the callers originating line.

Since the exemption clearly does not apply to the service, MCI's service violates the current rules because there is no preexisting agreement to bill for the call. It would violate the proposed rule as the calls are billed to the originating line.[1]

The fact that MCI's service may violate the rules is not the main issue, however. The issue is that MCI chose to make the 1-800-CALL-INFO service a chargeable call on an 800 number when it could have very easily made the service 1-900-CALL-INFO, thus avoiding violation of the existing rules. MCI obviously chose to use a 800 number rather than a 900 number because of the poor perception the 900 service area code now has after years of abusive charges. Now, MCI has tried to escape the curse of the 900 service area code, by corrupting the meaning of the 800 service area code.

[1]It is clear that the existing rules are being violated given the fact that AT&T recently filed a formal complaint against MCI alleging this very fact.

II. CONCLUSION

It is abundantly clear from the comments in this proceeding that the public interest is best served by revising the proposed rules to explicitly prohibit the assessment of charges for any 800 calls to the originating callers line on a customers' local exchange bill. By not allowing LEC billing, IPs would be required to utilize a credit or charge card for billing and collection [2]

Respectfully submitted,
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[2] By eliminating the use of LEC billing as an option for IPs, and as discussed in Allnet's Comments, the Commission should modify the definition of a "presubscription or comparable arrangement" contained in Section 64.1501(b) so that the rule would read "... generally accepted by multiple, independent vendors for the purchase ..." This modification ensures that an information provider (IP) does not create their own "credit card" or "charge card" which may only be used at either a single location or vendor, or at an affiliated company of the IP.

CERTIFICATE OF SERVICE

I, J. Scott Nicholls, have caused to be served, a copy of the foregoing Reply Comments to the parities listed on the attached service list, on this 31st Day of October, 1994.

J. Scott Nicholls

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